



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**INVITATION TO FOREIGN MANUFACTURERS/SUPPLIERS TO
SUBMIT A MANIFESTATION OF
INTENTION TO PARTICIPATE
FOR THE PROJECT,
“Product Support and Maintenance (PSM) for the Budget and
Treasury Management (BTMS) Licenses”**

1. The Department of Budget and Management (DBM), through the FY 2023 General Appropriations Act and Multi-Year Contractual Authority No. MYCA-BMB-C-23-0000034, intends to apply the sum of **Three Hundred Twenty Six Million Seven Hundred Twenty Six Thousand Four Hundred Pesos (P326,726,400.00)** being the Approved Budget for the Contract (ABC) for the Project **“Product Support and Maintenance (PSM) for the Budget and Treasury Management System (BTMS) Licenses”** for FYs 2023-2026, through Direct Contracting under Section 50 (c) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.¹
2. Delivery of the Goods is required for CY 2023 in accordance with the Technical Specifications specified in the attached Annex A.
3. In accordance with item 6.1² of Appendix 9 (Guidelines in the Determination of Eligibility of Foreign Suppliers, Contractors, and Consultants to Participate in Government Procurement Projects) of the 2016 Revised IRR of RA No. 9184, **the DBM now invites foreign suppliers or manufacturers to submit manifestation of intention to participate on or before June 29, 2023, 4:00 p.m.** The manifestations must be duly received by the DBM-BAC Secretariat or the DBM-Central Records Division through manual submission at the office address indicated below, or via email at **procurement@dbm.gov.ph**.

¹ The Government Procurement Reform Act

²In cases where the procuring entity intends to procure goods from an exclusive local manufacturer, supplier, distributor, or dealer through direct contracting under Section 50 (c) of the IRR, when said method is recommended by the BAC and approved by the Head of the Procuring Entity, and reflected in the approved Annual Procurement Plan, it shall, before commencing any negotiations with a local supplier, post through the website of the procuring entity, if any, and in the Philippine Government Electronic Procurement System (PhilGEPS), an invitation to foreign manufacturers to submit a manifestation of its intention to participate. Should any foreign manufacturer submit such manifestation within the period prescribed in the invitation, the procuring entity shall commence the conduct of public bidding. If no foreign manufacturer submits such manifestation within the said period, the procuring entity may proceed with the intended procurement through direct contracting with the said exclusive local manufacturer, supplier, distributor, or dealer.

4. If no foreign supplier, manufacturer or publisher submits such manifestation within the period stated above, the DBM shall directly negotiate with the exclusive local distributor, in accordance with Section 50 of the 2016 Revised IRR of RA No. 9184 and Annex H (Consolidated Guidelines for the Alternative Methods of Procurement) of the same IRR.
5. For further information, please refer to:

DBM-BAC Secretariat
Administrative Service-Procurement Management Division
Department of Budget and Management
Ground Floor, DBM Building III, General Solano St., San Miguel, Manila
Telefax No. 8657-3300 local 3115
Email address: procurement@dbm.gov.ph

June 22, 2023

RAMON VICENTE B. ASUNCION
Vice Chairperson, DBM-BAC

TERMS OF REFERENCE

I. PROJECT TITLE

Product Support and Maintenance (PSM) for the Budget and Treasury Management System (BTMS)

II. OBJECTIVE

The roadmap towards digitalization will examine the potential of cloud computing, application programming interfaces (APIs), and blockchain technology for decentralized transparency as well as real-time processing of government services.

For the proposed roadmap, the Budget and Treasury Management System (BTMS) is envisaged to be the central core. The BTMS is a centralized database that would facilitate the compilation of crucial data on all parts of government financial operations, from purchase through payment and every transaction is monitored by the network in real-time.

The Performance Financial Management (PFM) Committee, in Resolution No. 1-2022 dated December 19, 2022 approved the reactivation of the use of the BTMS FreeBalance Tool and called for the conduct of policy review for the implementation of the IFMIS.

The BTMS PSM is not applicable for any IT infrastructure, hardware or 3rd party licenses in relation to infrastructure provided under the Project Contract.

III. DURATION OF THE CONTRACT

The PSM for the 10,800 BTMS licenses will be for a period of three (3) years for FYs 2023-2026 with an Approved Budget for Contract (ABC) of Three Hundred Twenty Six Million Seven Hundred Twenty Six Thousand and Four Hundred Pesos (P326,726,400.00).

IV. SCOPE OF WORK AND SERVICES

4.1 DEFINITIONS:

In these Annual Product Support and Maintenance Terms (the “**Product Support and Maintenance Terms**” or “**PSM Terms**”) unless something in the subject matter or context is inconsistent with the following definitions, the following terms shall have the following meanings:

4.1.1 “**Customer**” means the Department of Budget and Management, Government of the Philippines;

4.1.2 “**Documentation**” means the documentation related to a Program;

4.1.3 “**Enhancement**” means new functionality for a Program;

- 4.1.4 “**General Inquiry**” is a general question posed by the Customer to FreeBalance about the Products;
- 4.1.5 “**Master Software License Agreement**” and “**MSLA**” mean both the license agreement entered into between FreeBalance and the Procurement Services division of the Customer on November 12, 2015 pursuant to which FreeBalance has granted certain licenses in the Product(s) to the Procurement Services division of the Customer, which license agreement was assigned to the Customer on June 14, 2018, and the license agreement entered into between FreeBalance and the Customer on October 25, 2017 pursuant to which FreeBalance has granted certain additional licenses in the Product(s) to the Customer;
- 4.1.6 “**Major Release**” means a new major version of the Program or a major update to the Program that is generally provided to Customers with valid PSM Services contracts that provides for major Enhancements, new functions, functionality, features and capabilities, new technologies, architectural improvements or more recent third-party products and/or versions, which is identified by FreeBalance as Release X.0;
- 4.1.7 “**Minor Release**” means a new version of the Program or an update to the Program that is generally provided to Customers with valid PSM Services contracts that provides for bug fixes, error corrections and minor Enhancements which is identified by FreeBalance as Release X.n, where “n” is any number other than 0;
- 4.1.8 “**Priority**” is generally defined as the relative importance of a Product Issue, having regard to the nature and effect of that Issue; Priority is specifically defined as either “Priority 1” or “Priority 2”, as the case may be, and their respective attributes as defined in Section 4 below, as may be amended from time to time;
- 4.1.9 “**Product(s)**” means the Program(s) and the Documentation;
- 4.1.10 “**Product Issue**” means a failure of a Program to perform properly including a failure of a Program to function in accordance with the Documentation;
- 4.1.11 “**Product Support and Maintenance Services**” means the Program Releases provided by FreeBalance to the Customer hereunder and the Customer’s access to FreeBalance Customer Support as described in Section 2. b);
- 4.1.12 “**Program(s)**” means certain proprietary computer software programs which FreeBalance has developed or for which FreeBalance has acquired from third parties the right to sublicense, and which have been licensed from FreeBalance to the Customer pursuant to the Master Software License Agreements;
- 4.1.13 “**Program Releases**” means a Minor Release and Major Release;

- 4.1.14 **“Severity”** is generally defined as the relative impact of a Product Issue, having regard to the nature and effect of that Product Issue on the Customer; Severity is specifically defined as either “Emergency”, “High”, “Medium”, or “Low”, as the case may be, and their respective attributes as those are defined in Section 3 below;
- 4.1.15 **“Support Effective Date”** means the date on which Product and Support Maintenance Services commence, as defined in the PSM Agreement; and
- 4.1.16 **“Term”** means the period within which Product and Support Maintenance Services will be provided, as defined in the PSM Agreement.

4.2 PRODUCT SUPPORT AND MAINTENANCE SERVICES

Subject to the terms hereof, FreeBalance shall provide the PSM Services to the Customer during the Term in accordance with the PSM Agreement and these PSM Terms.

4.2.1 Program Releases

4.2.1.1 FreeBalance issues Minor Releases as and when it determines, in its sole discretion, that such Minor Releases are either desirable or necessary, to upgrade or add Program functionality, performance, stability or reliability, to fix, patch or work around a Program issue, or for any other reason including, but not limited to, the following:

4.2.1.1.1 Product Issue

FreeBalance shall supply to the Customer regular “known issue” updates, error correction, fixes, patches, and workarounds to outstanding problems pending the next Minor Release;

4.2.1.1.2 Minor Enhancements

Any modification or Enhancement of the Product acquired by the Customer, whether under the MSLA, the PSM Agreement, including these PSM Terms, or any other agreement between FreeBalance and the Customer, during the course of the MSLA and which thereby becomes part of the Product;

4.2.2 FreeBalance, with the Customer’s knowledge and approval, may be granted or withheld in the Customer’s sole discretion, implement Minor Releases;

4.2.3 Minor Releases, including any available Documentation relevant to such Minor Releases are normally delivered through electronic downloads;

- 4.2.4 The Government of the Philippines (GOP) should be notified within 30 days of the availability of a Minor Release.
- 4.2.5 FreeBalance shall ensure forward and backward compatibility for Minor Releases, allowing the seamless upgrade and downgrade of Minor Releases for the FreeBalance Accountability Suite. The core modules and submodules are documented in Schedule B “FreeBalance COTS Application Software and related Documentation” of the MSLA. This does include the transition of existing custom forms, reports, business rules, interfaces and all other components specifically developed for the Government of the Philippines.
- 4.2.6 The Customer will have the option to upgrade to a Major Release, which will require effort and will not be automatic or seamless. The extent of the effort will be determined by the technology and functionality components of the Major Release deployed. FreeBalance shall provide a gap assessment of the compatibility of the Customer’s then current custom forms, reports and business rules with the Major Release and the level of effort required to complete a full upgrade to the Major Release. Any effort required to upgrade is outside of the scope of these Annual PSM Terms.
- 4.2.7 The Annual PSM covers all the licenses in all BTMS instances regardless of the location of the data center.
- 4.2.8 All pending signed change requests will be carried out by FreeBalance.

4.3 FREEBALANCE CUSTOMER SUPPORT

4.3.1 Availability

- 4.3.1.1 Support Hours: Support shall be available to the Customer by contacting the FreeBalance Customer Support Center during normal business hours (8:00 AM – 6:00 PM Philippine Standard Time), which can be reached as follows:
- a. By the FreeBalance Customer Support Portal http://www.freebalance.com/customer_login/
 - b. by telephone at Contacts (or such **local number** as may be designated by FreeBalance which will be manned by **one** Customer Support resource);
 - c. by fax at Contacts (or such **local number** as may be designated by FreeBalance); or
 - d. by email at Support@FreeBalance.com (or such other email alias as may be designated by FreeBalance).
- 4.3.1.2 Access to the FreeBalance Customer Support Portal shall be provided continuously (subject to FreeBalance’s planned maintenance of the FreeBalance Customer Support Portal for any downtime).

4.3.2 Categories of Support Requests

- 4.3.2.1 Product Issue;

- 4.3.2.2 Enhancement;
- 4.3.2.3 General Inquiries
 - a. Sales Request

4.3.3 Information to be Provided

- 4.3.3.1 With respect to all Support Requests:
 - a. the Customer's name;
 - b. the name of Customer's contact, if applicable;
 - c. the telephone number and email address for Customer's contact, if applicable;
 - d. the Customer's department name;
 - e. the location of the Customer;
 - f. the name and version of the database management system used by the Customer;
 - g. the name of the Customer's operating system;
 - h. the particular Program(s) used by the Customer, including version/revision number(s);
- 4.3.3.2 With respect to Product Issues:
 - a. the steps leading up to the manifestation of the problem;
 - b. the Program module(s) affected;
 - c. the Program function(s) affected;
 - d. a short narrative description of the case;
 - e. the error message displayed, including the screenshot/print-screen, if applicable; and
 - f. the database and application log files.

4.3.4 Logging a Support Request.

- 4.3.4.1 Upon receipt of a Support Request, all information required shall be logged by FreeBalance and a case number shall be issued to the Customer ("Case Number") acknowledging the receipt of the Support Request and defining it as one of the three Categories of Support Requests, as defined above.
- 4.3.4.2 The Case Number must be used in all communications between the Customer and FreeBalance with respect to the particular Support Request. The Customer, using the Support Portal should be able to monitor the progress of its Support Request upon issuance of the case number
- 4.3.4.3 The resolution of a Support Request shall be officially communicated to the Customer thru email addressed to the Project Manager or to the authorized Customer representative, apart from the original requester.

4.4 FREEBALANCE HELP DESK

- 4.4.1 The central Help Desk shall act as a coordination point for reporting the end user issues related to products and services for the BTMS solution,

excluding hardware.

4.4.2 FreeBalance shall continue to provide the following Help Desk Support Team as established under the Project Contract, with a minimum of two team members available during Support Hours:

- 4.4.2.1 Help Desk Specialist
- 4.4.2.2 Service Desk Incident Manager
- 4.4.2.3 Helpdesk / Service desk Lead
- 4.4.2.4 Platform & Application Manager

All help desk support staff shall be able to speak English and Filipino fluently.

4.4.3 Based on emerging needs, customers may ask FreeBalance to deploy additional resources for the helpdesk to support increasing volume of BTMS transactions and related support needed for system uses. In such a case, the payment for the additional resources shall be made based on the per resource cost as quoted in the financial bid of the Project Contract, with reasonable annual inflation applied to those rates, provided the total cost of resources shall be within the Approved Budget for the Contract (ABC).

4.4.4 The physical space for Help Desk will be provided by Customer including necessary supporting infrastructure (non-IT) including network connectivity from help desk to data center site. The other IT infrastructure for help desk staff shall be supplied and implemented by FreeBalance.

4.4.5 Based on help desk operations, FreeBalance shall submit the performance reports on help desk operations including number of calls reports, number of calls resolved within and outside of the agreed KPIs, etc. FreeBalance shall submit such reports on a monthly basis to Customers.

4.5 FREEBALANCE ACCOUNTABILITY SUITE ONLINE HELP FACILITY

4.5.1 The Customer will have access to the FreeBalance Accountability Suite Online Help Facility. The Online Help facility provides the customer a comprehensive list of How-To-Guides on the FreeBalance Accountability Suite.

4.6 SEVERITY LEVELS FOR PRODUCT ISSUES

4.6.1 When the Customer reports a problem FreeBalance will follow the procedure outlined in Section 5 hereof and FreeBalance will assign a severity to the problem according to the following definitions:

- a. **High** – critical issues refer to any issues or gaps in application software implemented and managed by FreeBalance which will have a severe impact on quality, availability or performance of all BTMS application services to the oversight and spending agencies.

- b. **Medium – critical** issues refer to any issues or gaps in application software implemented and managed by FreeBalance which will have an impact on quality, availability or performance of BTMS application services for a particular function or for an oversight or spending agency.
- c. **Low – critical** issues refer to any issues or gaps in application software implemented and managed by FreeBalance which have an impact on quality, availability or performance of BTMS application services for a particular user.

4.6.2 In the event of any dispute between the Customer and FreeBalance as to the severity level of a problem reported to FreeBalance by the Customer, FreeBalance and the Customer shall escalate the dispute to the next level of management for resolution of the dispute, provided that if FreeBalance and the Customer cannot agree upon the severity level of a reported problem the final determination of the severity level shall be made by FreeBalance, acting reasonable and applying the definitions in Section 5 hereof.

4.6.3 For the fixes and patches that require revision upgrades, Freebalance must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.

V. SERVICE LEVEL AGREEMENT

DBM shall maintain a Service Level Agreement (SLA) with the SERVICE PROVIDER, with provisions for liquidated damages for their non-compliance.

FreeBalance shall respond to a Customer Support Requests in accordance with the following:

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
HIGH	P1	Entire Business is affected, PRODUCTION system is inaccessible	Initial update must take place within thirty (30) minutes. Succeeding updates will be sent every one (1) hour. Target Restoration: <= four (4) hours	Upon confirmation of receipt, FreeBalance will begin continuous work on the problem. The Customer must provide FreeBalance with an onsite contact to assist with data gathering, testing and applying fixes or workarounds. This resource should have direct access to the machine and any application impacted.	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
	P2	Data Integrity is at risk. Groups or Select Teams of End Users are not able to use the system	Initial update must take place within one (1) hour. Succeeding updates will be sent every two (2) hours. Target Restoration: ≤ eight (8) hours	FreeBalance will assist the Customer in loading the data (during downtime) using our Data Import Facility. FreeBalance will work to provide a workaround. For the fixes and patches that require revision upgrades, Freebalance must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution
MEDIUM-CRITICAL	P1	The business service, major application, or system is seriously affected	Initial update must take place within two (2) hours. Succeeding updates will be sent every four (4) hours. Target Restoration: ≤ 24 hours	Upon Confirmation of Receipt, FreeBalance will begin work on the problem. The Customer must provide an onsite contact to assist with data gathering, testing and applying hotfixes when warranted. The resource should also work with FreeBalance to try the suggested workaround or fix that FreeBalance will provide.	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution
	P2	The implementation is affected with no workaround. The sub systems are affected with no workaround. Major Functions and/or Procedures are nonfunctional	Initial update must take place within three (3) hours. Succeeding updates will be sent every six (6) hours. Target Restoration:	For the fixes and patches that require revision upgrades, Freebalance must make sure that all implemented fixes and patches from the previous version should	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
		with the program/application	<= 36 hours	be incorporated in the new version upgrade.	
LOW-CRITICAL	P1	The business service, major application, or system is moderately impacted	Initial update must take place within six (6) hours. Succeeding updates will be sent daily. Target Restoration: <= 48 hours	Upon Confirmation of Receipt, FreeBalance will begin work on the problem based on the queued system. The task will be assigned after validation and confirmation to the Development Team.	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution
	P2	There is no data loss and the business service or the application is still functioning in a limited manner. Single or sub set of users are affected. The issues may be temporarily circumvented using an available workaround. Single user non-critical functions/procedures are affected	Initial update must take place within 6 hours. Succeeding updates will be sent daily. Target Restoration: <= 60 hours	The customer is expected to provide an onsite contact to assist FreeBalance to work through the problem. FreeBalance will either provide a fix or workaround. For the fixes and patches that requires revision upgrades, Freebalance must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.	1/10th of 1% of monthly contract price shall be imposed for every hour of no resolution

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
ENHANCEMENT	N/A	Enhancement Requests	As per FreeBalance Product Roadmap	Will be assigned to the Product Management Team when a complete description of the Enhancement is received with screenshots and examples where applicable. Based on the Product Roadmap, the Product Management team may decide on inclusion in a future release.	

VI. LIQUIDATED DAMAGES FOR DELAY

- 6.1 The DBM shall maintain a SLA with the Service Provider, with provisions for liquidated damages as indicated below for their non-compliance. Liquidated damages shall be charged against any money due or which may become due to the contractor, or collected from any securities or warranties posted by the contractor.
- 6.2 If the Consultant fails to deliver any or all of the Services within the period(s) specified in this Contract, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the Applicable Law, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the contract price. Once the maximum is reached, the Procuring Entity may consider termination of this Contract.

VII. WARRANTIES OF THE SERVICE PROVIDER

- 7.1 The SERVICE PROVIDER warrants that it shall conform strictly to the terms and conditions of this TOR.
- 7.2 The SERVICE PROVIDER warrants represent and undertake the reliability of the services and that their manpower complements are hardworking, qualified/reliable, and dedicated to doing the service required to the satisfaction of the DBM. It shall employ well-behaved and honest employees with ID displayed conspicuously while working within the compound.
- 7.3 The SERVICE PROVIDER in the performance of its services shall secure, maintain at its own expense all registration, licenses, or permits required by National or Local Laws and shall comply with the rules, regulations, and directives of Regulatory Authorities and Commissions. The SERVICE PROVIDER undertakes to pay all fees or charges payable to any instrumentality of government

or any other duly constituted authority relating to the use or operation of the installation.

- 7.4 The SERVICE PROVIDER's personnel shall take all necessary precautions for the safety of all persons and properties at or near their area of work and shall comply with all the standard and established safety regulations, rules and practices.
- 7.5 The SERVICE PROVIDER shall coordinate with the authorized and/or designated DBM personnel in the performance of their jobs.
- 7.6 The SERVICE PROVIDER shall be liable for loss, damage, or injury due directly or indirectly through the fault or negligence of its personnel. It shall assume full responsibility thereof and the DBM shall be specifically released from any liabilities arising therefrom.
- 7.7 The SERVICE PROVIDER shall neither assign, transfer, pledge, nor sub-contract any part or interest therein.

VIII. FREEBALANCE INTERNATIONAL STEERING COMMITTEE (FISC) EVENT

Customer will be invited to send up to two (2) attendees, as selected by Customer, to the annual FISC event during the duration of the BTMS Annual Support and Maintenance terms. Scheduling and details related to FISC events are at the sole discretion of FreeBalance.

IX. INTELLECTUAL PROPERTY RIGHTS

- 9.1 FreeBalance shall own all proprietary rights including patent, copyright, trade secret and other proprietary rights, in and to the Program(s), and any corrections, bug fixes, Enhancements, updates or other modifications to the Program(s), and any intellectual or other property rights therein shall be the exclusive property of FreeBalance. Any patches, workarounds, Minor Releases or Major Releases provided to the Customer by FreeBalance shall be subject to and governed by the Master Software License Agreement.
- 9.2 DBM retains ownership of all custom forms, business rules, custom reports and 3rd party system integrations developed by FreeBalance exclusively for the project under the Project Contract.

X. LIMITATION OF LIABILITY

In no event shall FreeBalance be liable for any special, incidental, indirect or consequential damages of any kind, resulting from its performance or failure to perform pursuant to the terms hereof, or resulting from the furnishing, performance, or use or loss of any Products or other materials delivered to Customer hereunder, including without limitation any interruption of business, whether resulting from breach of contract or breach of warranty or otherwise, even if FreeBalance has been advised of the possibility of such damages. Notwithstanding anything herein to the contrary, the maximum aggregate amount of money damages for which FreeBalance may be liable to Customer hereunder, resulting from any cause whatsoever, shall be limited to the amounts actually paid by Customer to FreeBalance on account of support fees in respect of the annual term in which liability arose

XI. CONFIDENTIALITY OF DATA

- 11.1 The Parties agree to hold all information, documents, software, reports, data, records, forms and other materials provided by the other Party (“Confidential Information”) in confidence and agree not to use any Confidential Information except as expressly permitted by this Agreement. The Parties shall exercise the same degree of care, but no less than a reasonable degree of care to protect the Confidential Information of the other Party as it does with its own confidential information. Neither Party will disclose Confidential Information of the other to third parties without the prior written consent of the disclosing Party. The Parties may disclose Confidential Information to their own employees or contractors only for the purposes of this Agreement provided each such employee or contractor has entered into a written confidentiality and non- disclosure agreement at least as restrictive as these provisions.
- 11.2 Confidential Information shall not include Information that can be established by the receiving Party, on a balance of probabilities, to be:
- 11.2.1 publicly available;
 - 11.2.2 already known or in the possession of the receiving Party at the time of disclosure to it by the disclosing Party;
 - 11.2.3 lawfully received from a third party without obligation of confidentiality;
 - 11.2.4 independently developed by the receiving Party without reliance on Confidential Information; or
 - 11.2.5 required to be disclosed by court order or other legal process provided that the receiving Party shall take all reasonable steps to permit the disclosing Party to limit such disclosure
- 11.3 All project personnel of SERVICE PROVIDER shall be required to sign a Non-Disclosure Agreement (NDA)
- 11.4 The SERVICE PROVIDER agrees to hold the Proprietary Information in strict confidence. The SERVICE PROVIDER furthermore agrees not to reproduce, translate, or disclose the Proprietary Information to third parties without the prior written approval of the DBM.

XII. PAYMENT DETAILS

- 12.1. Payment shall be on an annual basis based on actual support and maintenance services rendered during the applicable year. This shall cover the first day up to the last day of the applicable year.
- 12.2. Payment shall be made, subject to the submission of the following documentary requirements to the Chief Information Officer, after the applicable year/cut-off and in accordance with budgeting, accounting, and auditing laws, rules, and regulations:

- 12.2.1. Annual PSM Service/Completion Report, Annual Supplier and Contractor Performance Evaluation Form; and
- 12.2.2. Certificate of Acceptance issued by the Chief Information Officer or, in the absence of, the End-User-Representative (EUR) of the procuring project.

XIII. PRE-TERMINATION OF CONTRACT

- 13.1 The contract for the PSM for BTMS may be pre-terminated by the DBM for any violation of the terms of the contract. In the case of pre-termination, the SERVICE PROVIDER shall be informed by the DBM thirty (30) days before such pre-termination.
- 13.2 In the case of pre-termination, the SERVICE PROVIDER shall be liable to additional liquidated damage equivalent to one percent (1%) of the contract price as provided by the Government Accounting Manual (GAM) and forfeiture of the Performance Security.
- 13.3 The DBM shall have the right to blacklist the SERVICE PROVIDER in case of pre-termination.
- 13.4 The PSM Services may be terminated by the Customer in accordance with the PSM Services Agreement to which these PSM Terms are attached.